

Joint Foreign Chambers of the Philippines

American Chamber of Commerce of the Phils., Inc. ♦ Australian-New Zealand Chamber of Commerce (Phils.), Inc.
Canadian Chamber of Commerce of the Phils., Inc. ♦ European Chamber of Commerce of the Phils., Inc.
Japanese Chamber of Commerce & Industry of the Phils., Inc. ♦ Korean Chamber of Commerce of the Phils., Inc.
Philippine Association of Multinational Companies Regional Headquarters, Inc.

16 February 2015

Sen. Loren Legarda

Chairperson

Committee on Environment and Natural Resources

Philippine Senate

Pasay City

Dear Senator Legarda:

The Joint Foreign Chambers (JFC) is a coalition of the American, Australian-New Zealand, Canadian, European, Japanese and Korean Chambers in the Philippines and the Philippine Association of Multinational Companies Headquarters, Inc. We represent over 3,000 member companies engaged in over USD230 billion worth of trade and USD30 billion worth of investments in the Philippines. The JFC seeks and promotes the creation of an investor-friendly environment in the Philippines as a means to achieve inclusive growth.

We write to your good office to express our reservation on the following pending bills designating certain areas as mining-free zone: House bill 45 – Cagayan de Oro City, HB 670 – Catanduanes, HB 3667 – Nueva Vizcaya, HB 3780 – Eastern Samar, HB 4363 – Second District of Sorsogon, HB 5260 – Nueva Ecija, HB 5261 – Biliran, and HB 5262 – Davao City) which are currently under deliberation by the Senate Environment Committee.

We submit for your kind consideration the following points which we believe will provide guidance on promoting mining as a viable industry, under existing Constitutional and legal structures, which creates jobs, empowers communities and enables sustainable ecological and economic development:

1. Thirty percent of the Philippine land area with a total of 9 million hectares has high mineral potential. Of this, only 60,000 hectares – about 35 percent the size of Quezon City – are occupied by large-scale miners. The Fraser Institute of Canada has ranked the Philippines in the top ten countries most attractive for mineral development based on mineral potential alone. However, the country ranks within the bottom ten least attractive locations because of policy and bureaucratic obstructions and the lack of government support for mineral development. Current government policy has imposed an official moratorium, following by two years a *de facto* moratorium on the approval of new mining contracts. This has stalled growth of the industry.¹
2. The Mining Act was enacted to resuscitate the industry. It opened the doors

¹Mining Policy Brief. *Arangkada* Philippines – a project of the Joint Foreign Chambers. September 2014. See attached.



AMERICAN



AUSTRALIAN-NEW ZEALAND



CANADIAN



EUROPEAN



JAPANESE



KOREAN



PAMURI

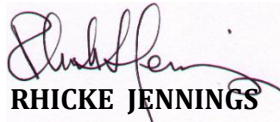
to potential developers of mining projects. By providing significant social and environmental safety nets, the law is considered to be a model legal framework for sustainable development and among the best in the world. Mining must respect the community and environment, which proper implementation of the Philippine Mining Act will achieve. In comparison to other mining laws of other countries like the UK, US, Australia, and Canada where mining plays a strong role in the growth of their first world economies, the Mining Act is deemed as being at par, if not better, in including social and environmental obligations of mining companies.

3. Legal challenges delayed implementation of the Mining Act for a decade until the Supreme Court in 2005 ruled with finality that the law is constitutional. Under the law, foreign investors can enter into Financial and/or Technical Assistance Agreements (FTAA) and be granted permits for exploration and mineral processing. Given the very significant capital requirements and long lead-times to develop large mines, this ruling opened the way for the industry to grow. In recent years, most of world's largest mining companies have expressed serious interest to invest in the Philippines, with target investments ranging from hundreds of millions to several billion dollars.

The Joint Foreign Chambers recommend that the Philippine Mining Act be respected and implemented evenly throughout the nation. It is our position that the proposed bans on mining in certain provinces and cities under the various House bills are inconsistent with Republic Act 7942.

Thank you for considering our views.

Regards,



RHICKE JENNINGS
President

American Chamber of Commerce
of the Philippines Inc.



IAN PORTER
President

Australian-New Zealand Chamber
of Commerce of the Philippines Inc.



JULIAN PAYNE
President

Canadian Chamber of
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MICHAEL RAEUBER
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European Chamber of
Commerce of the Philippines